

UNIVERSITY OF MICHIGAN

Ann Arbor 48109



BOARD OF REGENTS

	<i>Term expires</i>
JULIA DONOVAN DARLOW, Ann Arbor	Dec. 31, 2014
LAURENCE B. DEITCH, Detroit	Dec. 31, 2008
OLIVIA P. MAYNARD, Flint	Dec. 31, 2012
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MARY SUE COLEMAN, *ex officio*

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University of Michigan

Section 5 of Article VIII of the Constitution of 1963 provides for the Regents of the University of Michigan. The board consists of eight members elected for eight-year terms. The president of the university, who is elected by the board, is an ex officio member. The Regents are a body corporate and have general supervision of the institution and the control and direction of all expenditures from the institution's funds.

The University was founded in 1817 with a grant of 1,920 acres of land ceded by area Indians for "a college at Detroit." The territorial legislature planned "a university of Michigania" as a territory-wide public educational system. It was moved to Ann Arbor in 1837 to take advantage of an offer of 40 acres of land at the edge of town. The acreage ceded by the Indians was sold, and the proceeds remain part of the University's permanent endowment. The University earned the title "mother of state universities" when it became the first model of a complete state university in America. The original 40-acre campus has expanded to 3,079 acres (Ann Arbor campus) with 535 major buildings and 1,468 family housing units. The University of Michigan – Flint opened in 1956 with a gift from the Mott Foundation. The University of Michigan – Dearborn followed in 1958 on the land of the Henry Ford Estate, a gift of the Ford Motor Company.

Schools and Colleges, Students and Faculty

Almost every one of the University's academic schools and colleges ranks among the top in its field. The schools and colleges on the Ann Arbor campus are: College of Literature, Science and the Arts; Medical School; Law School; School of Dentistry; College of Pharmacy; College of Engineering; Horace H. Rackham School of Graduate Studies; A. Alfred Taubman College of Architecture and Urban Planning; School of Education; Stephen M. Ross School of Business; School of Natural Resources and Environment; School of Music, Theater and Dance; School of Public Health; School of Nursing; School of Social Work; School of Information; School of Art and Design; Division of Kinesiology; and the Gerald R. Ford School of Public Policy. The Dearborn campus has four schools and colleges: the College of Arts, Sciences and Letters; School of Management; School of Engineering; and Division of Education. The Flint campus has four schools and colleges: the College of Arts and Sciences; the School of Management; the School of Health Professions and Studies, and the School of Education and Human Services.

University of Michigan students, who hail from all 50 states and more than 110 countries, participate in over 1,000 student organizations; volunteer their time and talents in Ann Arbor, Detroit, and beyond; and broaden their horizons through the hundreds of concerts, lectures, and symposia Michigan hosts each year. Michigan's 465,000 living alumni continue to make substantial contributions to the world's intellectual, scientific, and cultural growth. Michigan's teaching faculty counts among its ranks distinguished world authorities, Pulitzer Prize winners, Nobel laureates, MacArthur grantees, and internationally acclaimed artists, composers, and performers who thrive in the University's open and collaborative atmosphere. Faculty at all levels have numerous opportunities to develop as researchers and teachers.

Libraries and Museums

The Library system has 24 libraries with more than 8.1 million volumes and over 60,000 serial titles. The University's libraries are national leaders in the development of digital library resources. There are nine museums, including the Exhibit Museum of Natural History, Kelsey Museum of Ancient and Medieval Archaeology, Museum of Art, Museum of Anthropology, Museum of Dentistry, Museum of Paleontology, Museum of Zoology, University Herbarium, Stearns Collection of musical instruments, and the Eva Jessye Afro-American Music Collection.

Research

Michigan's interdisciplinary Life Sciences Institute is the most recent addition to its prestigious family of institutes, centers, and advanced research facilities. Some of these are: Arts of Citizenship Program; Automotive Research Center; Biophysics Research Division; Comprehensive Cancer Center; Center for Biologic Nanotechnology; Center for the Ethnography of Everyday Life; Center for Ultrafast Optical Science; Center for Wireless Integrated Microsystems; Erb Environmental Management Institute; Howard Hughes Medical Institute; Center for Enhancement and Restoration of Cognitive Function; Zell-Lurie Institute for Entrepreneurial Studies; Center for Sustainable Systems; Center for the Study of Complex Systems; Center for Human Growth and Development; Population Studies Center; Institute for Research on Women and Gender; Institute for the Humanities; Institute of Gerontology;

Institute for Labor and Industrial Relations; Institute for Social Research; International Institute; Kresge Hearing Research Institute; Molecular and Behavioral Neuroscience Institute; Substance Abuse Research Center; Tauber Manufacturing Institute; Transportation Research Institute; Unit for Laboratory Animal Medicine; and William Davidson Institute.

Research expenditures in 2004-2005 were \$778,061,728, one of the largest by any U.S. university. Federal agencies provided the largest portion of funds at 73.5%, with the remaining coming from U-M funds (14.1%), industry (4.5%), foundations (2.6%) and others.

Medical Center

The University of Michigan Health System comprises the U-M Medical School and its Faculty Group Practice, three U-M hospitals, approximately 30 community health centers, 120 outpatient clinics, and the Michigan Health Corp. The Health System consistently ranks among the best health care institutions in the nation. U-M hospitals and Health Centers consistently rank high on the Honor Roll of America's Best Hospitals compiled by *U.S. News & World Report* and were ranked 12th best in 2006. In 2007, U-M's C.S. Mott Children's Hospital ranked as the top children's hospital in the state, and among the 25 best in the nation. The U-M Health System is one of five to be recognized by the University Health System Consortium as demonstrating excellence in delivering high-quality, safe, effective and equitable care to their patients. Two hundred and ninety-four physicians from the U-M Health System were named to the 2005-2006 "Best Doctors in America" list. The U-M Medical School is ranked among the ten best in the nation by *U.S. News & World Report*. The U-M Health System is the only hospital in Michigan to fully meet or surpass all of the health care quality measures set by the Michigan Health and Safety Coalition. Finally, the U.S. Department of Health and Human Services' Hospital Compare Report gives the U-M Health System excellent marks in all four areas of care it measures.

Economic Impact of the University

The University, with campuses in Ann Arbor, Flint, and Dearborn, makes significant economic contributions to the State of Michigan. Direct contributions include revenue dollars that flow into the University, as well as goods and services purchased by the University, its employees, students, and visitors. At the Ann Arbor campus, U-M employs approximately 35,000 people (about 22,000 Washtenaw County residents), with a total payroll and benefits of over \$2 billion. Student retail spending is estimated at more than \$300 million per year. Each home football game generates an estimated \$6 to 8 million for the local economy, and cultural activities attract more than 350,000 attendees each year.

Gifts

In addition to receiving funds from the State of Michigan, the University of Michigan also relies on private gifts that support student financial aid, research and teaching by faculty, facilities and programs. Many buildings and facilities on campus owe their existence to the generosity of donors. In the fiscal year that ended on June 30, 2005, more than 120,000 alumni and friends, corporations, foundations and associations demonstrated their commitment to the future of the University by making gifts.

<i>Credit Enrollment (fall head count)</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
On-campus Ann Arbor Campus only	39,533	39,993	40,025
Ann Arbor, Flint, and Dearborn	54,352	55,028	55,118

**CURRENT FUNDS SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS**

<i>Operating Revenues</i>	<i>2004-2005</i>	<i>2005-2006</i>
Student Tuition and Fees	\$ 765,201,000	\$ 834,365,000
Less: Scholarship Allowances	146,226,000	158,659,000
Net Student Tuition and Fees	618,975,000	675,706,000
Federal Grants and Contracts	674,033,000	691,934,000
State and Local Grants and Contracts	13,843,000	9,282,000
Nongovernmental Sponsored Programs	120,433,000	117,213,000
Sales and Services of Educational Departments ...	110,089,000	107,025,000
Auxiliary Enterprises:		
Patient Care Revenues and		
Managed Care Premiums	1,841,240,000	1,990,453,000
Student Residence Fees,		
Net of Scholarship Allowances	66,254,000	70,229,000
Other Auxiliary Enterprise Revenues	113,977,000	119,740,000
Student Loan Interest Income and Fees	1,831,000	1,368,000
TOTAL OPERATING REVENUES	\$3,560,675,000	\$3,782,950,000
<i>Operating Expenses</i>		
Compensation and Benefits	\$2,592,098,000	\$2,757,920,000
Supplies and Services	1,104,824,000	1,150,214,000
Depreciation	253,733,000	264,028,000
Scholarships and Fellowships	75,398,000	83,839,000
TOTAL OPERATING EXPENSES	\$4,026,053,000	\$4,256,001,000
Operating (Loss)	(465,378,000)	(473,051,000)
<i>Nonoperating Revenues (Expenses)</i>		
State Educational Appropriations	\$ 374,905,000	\$ 364,908,000
Private Gifts	107,181,000	90,042,000
Net Investment Income	874,611,000	959,841,000
Interest Expense	(21,738,000)	(27,128,000)
TOTAL NONOPERATING REVENUES, NET ...	\$1,334,959,000	\$1,387,663,000
Income before other revenues (expenses)	869,581,000	914,612,000
<i>Other Revenues (Expenses)</i>		
State Capital Appropriations	7,023,000	20,126,000
Capital Gifts and Grants	118,962,000	64,787,000
Private Gifts for Endowment Purposes	78,272,000	86,228,000
Other	6,568,000	(11,957,000)
TOTAL OTHER REVENUES, NET	\$ 210,825,000	\$ 159,184,000
Increase in net assets	1,080,406,000	1,073,796,000
Net Assets, Beginning of Year	7,729,943,000	8,810,349,000
NET ASSETS, END OF YEAR	\$8,810,349,000	\$9,884,145,000